

AMENDED IN ASSEMBLY AUGUST 28, 2006

AMENDED IN ASSEMBLY AUGUST 24, 2006

SENATE BILL

No. 1133

Introduced by Senator Torlakson
(Principal coauthor: Assembly Member Mullin)

January 10, 2006

~~An act to add Section 41207.1 to the Education Code, relating to school accountability.~~ *An act to amend Section 41206 of, to add Section 41207.1 to, and to add Article 3.7 (commencing with Section 52055.700) to Chapter 6.1 of Part 28 of, the Education Code, relating to public school finance, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1133, as amended, Torlakson. School districts and community college districts: minimum funding.

(1) Existing provisions of the California Constitution require the state to apply a minimum amount of funding for each fiscal year for the support of school districts and community college districts. Existing law provides that, for purposes of those minimum funding requirements for school districts and community college districts, appropriations for deficiencies and prior year adjustments are deemed appropriations in the fiscal year in which the deficiencies or prior year adjustments occurred, unless otherwise provided by law.

Existing law requires that all determinations of percentages, amounts, revenues, appropriations, allocations, proceeds of taxes, increases in cost of living, or enrollments for the purposes of the minimum state education funding requirement be based upon the best available estimate until actual data becomes available, and then upon actual data when it is available.

This bill, notwithstanding that provision regarding deficiencies and prior year adjustments, would provide that the minimum amount of state educational funding required to be appropriated for school districts and community college districts for the 2004–05 fiscal year, is \$48,675,674,000, creating a maintenance factor of \$2,003,996,000 and an outstanding balance of that maintenance factor as of the 2006–07 fiscal year of \$1,620,928,000.

The bill would substantially revise the procedure for making the determinations regarding data to be used to provide the minimum state educational funding.

(2) Existing federal law, the No Child Left Behind Act of 2001, requires a local educational agency to identify for program improvement any elementary or secondary school that fails, for 2 consecutive years, to make adequate yearly progress, as defined by the state. Existing federal law requires a school that continues to fail to make adequate yearly progress after being identified for program improvement to take additional corrective action or meet specified restructuring requirements.

Existing law, the Public Schools Accountability Act of 1999, establishes the Public School Performance Accountability Program, a statewide school accountability system that consists of the Academic Performance Index (API), the Immediate Intervention/Underperforming Schools Program, and the Governor's High Achieving/Improving Schools Program. Existing law authorizes the Superintendent of Public Instruction to require a school district that fails to meet specified academic growth targets to enter into a contract with a school assistance and intervention team, as specified.

This bill would enact the Quality Education Investment Act of 2006, which would authorize school districts and other local educational agencies to apply to the Superintendent to receive funding to allocate to elementary and secondary schools and charter schools that are ranked in either decile 1 or 2 on the 2005 API for use in performing various specified measures to improve academic instruction and pupil academic achievement. The bill would impose various duties on the Superintendent, the Secretary for Education, and the State Board of Education regarding the review and approval of applications, the allocation of funds to applicant school districts and other local educational agencies, and other related matters, as specified. The bill would require participating schools, as defined, that receive funding to comply with various interim and program requirements. The bill

would require county superintendents of schools to annually review participant schools and their data to determine compliance with the interim and program requirements and to notify the Superintendent if schools fail to satisfy those requirements. The bill would provide for the termination of funding following that notification under certain conditions. The bill would authorize a school district or other local educational agency that includes a participating school or schools for which funding is terminated to appeal that termination. The bill would authorize a school district or other local educational agency to apply to the Superintendent for permission to use alternative program requirements in lieu of those interim and program requirements, as specified. The bill would provide specified amounts of funding each school year based on grade level for each enrolled pupil at participating schools.

(3) This bill would appropriate \$300,000,000 from the General Fund for purposes of the act for the 2007–08 fiscal year, to be allocated as specified. The bill would appropriate \$450,000,000 from the General Fund for each of the 2008–09 to 2013–14 fiscal years, inclusive, to be allocated as specified. The bill would provide that those appropriations are for the purpose of discharging in full the outstanding balance of the maintenance factor resulting from Chapter 213 of the Statutes of 2004, as specified. The bill would provide that, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the first \$1,620,928,000 of those amounts is General Fund revenues appropriated for school districts and community college districts for the 2004–05 fiscal year. The bill would provide that, for purposes of making those computations, the remainder of those amounts is General Fund revenues appropriated for school districts and community college districts for the 2005–06 fiscal year.

(4) This bill would appropriate the sum of \$1,117,000 from the General Fund to the department to fund 9.0 positions to implement the Quality Education Investment Act of 2006.

(5) This bill would require that funds not allocated to public elementary and secondary schools, charter schools, or community colleges pursuant to the bill in any fiscal year or funds resulting from program termination, as specified, in any fiscal year be used in any subsequent fiscal year in furtherance of the purposes of the bill. The bill would require that first priority for those funds be given to

providing cost-of-living increases and growth-in-pupils adjustments to participating schools, as defined.

(6) By imposing additional duties on county superintendents of schools as part of the Quality Education Investment Act of 2006, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~(1) The California Constitution requires a minimum amount of state funds to be applied each fiscal year for the support of school districts and community college districts. Existing law authorizes the Legislature to suspend that minimum state funding obligation for one year by the enactment of an urgency statute, as provided. Chapter 213 of the Statutes of 2004 suspended the minimum state funding obligation for the 2004–05 fiscal year.~~

~~This bill would state that the minimum amount of state funding required to be appropriated under the California Constitution for school districts and community college districts for the 2004–05 fiscal year is \$48,675,674,000, creating a maintenance factor of \$2,003,996,000 and an outstanding balance of that maintenance factor as of the 2006–07 fiscal year of \$1,620,928,000. The bill would provide that the outstanding balance is to be appropriated and allocated pursuant to legislation enacted during the 2007–08 Regular Session.~~

~~(2) This bill would appropriate \$300,000,000 from the General Fund for purposes of those provisions for the 2007–08 fiscal year, to be allocated for purposes of legislation enacted during the 2007–08 Regular Session. The bill would appropriate \$450,000,000 from the General Fund for the 2008–09 to 2013–14 fiscal years, inclusive, to be allocated for purposes of legislation enacted during the 2007–08 Regular Session.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~
yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 41206 of the Education Code, as*
2 *amended by Chapter 66 of the Statutes of 1993, is amended to*
3 *read:*

4 41206. (a) For purposes of subdivision (b) of Section 8 of
5 Article XVI of the California Constitution, all determinations of
6 percentages, amounts, revenues, appropriations, allocations,
7 proceeds of taxes, increases in cost of living, or enrollments shall
8 be based upon the best available estimate until actual data
9 becomes available, and ~~then~~ *thereafter shall be based upon*
10 actual data when it is available.

11 (b) (1) ~~Within nine months following the end of any fiscal~~
12 ~~year, the~~ *The Superintendent of Public Instruction and the*
13 ~~Director of Finance shall complete the determination describe in~~
14 ~~subdivision (a) for the 2005-06 fiscal year and each fiscal year~~
15 ~~thereafter within 18 months after the end of the fiscal year. The~~
16 ~~Director of Finance shall provide a written notification to the~~
17 ~~Legislature within one month after completion of the~~
18 ~~determination, detailing the data of the determination. The~~
19 ~~Superintendent of Public Instruction and the Director of Finance~~
20 ~~shall recalculate, as necessary, and jointly certify, in consultation~~
21 ~~with the Chancellor of the California Community Colleges, all~~
22 ~~actual data pertaining to school districts, as defined, and~~
23 ~~community college districts for the prior that fiscal year. Any~~
24 ~~amount of funding required by subdivision (b) of Section 8 of~~
25 ~~Article XVI of the California Constitution to be appropriated to~~
26 ~~school districts and community college districts for that year, less~~
27 ~~any amounts already appropriated for that fiscal year including~~
28 ~~any amounts appropriated for deficiencies pursuant to paragraph~~
29 ~~(2), shall be set aside by the Controller and, if not appropriated to~~
30 ~~school districts and community college districts by the~~
31 ~~Legislature within 90 days, shall be allocated to school districts~~
32 ~~and community college districts by the Controller in proportion~~
33 ~~to the enrollment in school districts and community college~~
34 ~~districts as determined for purposes of Section 8.5 of Article XVI~~
35 ~~of the California Constitution.~~

36 (2) For purposes of Section 8 of Article XVI of the California
37 Constitution, appropriations for deficiencies or prior *fiscal* year
38 adjustments shall be deemed to be appropriations in the fiscal

1 year in which the deficiencies or prior *fiscal* year adjustments
2 occurred, unless otherwise provided by law.

3 ~~(e) Within nine months following the end of any fiscal year,~~
4 ~~the Chancellor of the California Community Colleges and the~~
5 ~~Director of Finance shall recalculate, as necessary, and jointly~~
6 ~~certify all actual data pertaining to community college districts,~~
7 ~~as defined, for the prior fiscal year. Any amount of funding~~
8 ~~required by subdivision (b) of Section 8 of Article XVI of the~~
9 ~~California Constitution to be appropriated to community college~~
10 ~~districts for that year, less any amounts already appropriated for~~
11 ~~that year, shall be set aside by the Controller and, if not~~
12 ~~appropriated to community college districts by the Legislature~~
13 ~~within 90 days, shall be allocated to community college districts~~
14 ~~by the Controller in proportion to the enrollment in community~~
15 ~~college districts as determined for purposes of Section 8.5 of~~
16 ~~Article XVI of the California Constitution.~~

17 SEC. 2. Section 41207.1 is added to the Education Code, to
18 read:

19 41207.1. (a) Notwithstanding Section 41206, the minimum
20 state educational funding guarantee for school districts and
21 community college districts for the 2004-05 fiscal year, as
22 determined pursuant to Chapter 213 of the Statutes of 2004, is
23 forty-eight billion six hundred seventy-five million six hundred
24 seventy-four thousand dollars (\$48,675,674,000), creating an
25 outstanding balance of one billion six hundred twenty million
26 nine hundred twenty-eight thousand dollars (\$1,620,928,000).
27 The outstanding balance shall be appropriated and allocated
28 pursuant to Article 3.7 (commencing with Section 52055.700) of
29 Chapter 6.1 of Part 28.

30 (b) Notwithstanding Section 41206, the outstanding balance of
31 the minimum state educational funding for school districts and
32 community college districts required by subdivision (b) of
33 Section 8 of Article XVI of the California Constitution in the
34 2005-06 fiscal year shall be appropriated and allocated
35 pursuant to Article 3.7 (commencing with Section 52055.700) of
36 Chapter 6.1 of Part 28.

37 SEC. 3. Article 3.7 (commencing with Section 52055.700) is
38 added to Chapter 6.1 of Part 28 of the Education Code, to read:

Article 3.7. *Quality Education Investment Act of 2006*

52055.700. *This article shall be known and may be cited as the Quality Education Investment Act of 2006.*

52055.710. *It is the intent of the Legislature in enacting this article to accomplish all of the following:*

(a) *Implement the terms of the proposed settlement agreement in California Teachers Association, et al. v. Arnold Schwarzenegger, et al. (Case Number 05CS01165 of the Superior Court for the County of Sacramento).*

(b) *Provide for the discharge of the minimum state educational funding requirement of Section 8 of Article XVI of the California Constitution and Chapter 213 of the Statutes of 2004 for the 2004–05 and 2005–06 fiscal years.*

(c) *Improve the quality of academic instruction and the level of pupil achievement in schools in which pupils have high levels of poverty and complex educational needs.*

(d) *Develop exemplary school district and school practices that will create the working conditions and classroom learning environments that will attract and retain well qualified teachers, administrators, and other staff.*

(e) *Focus school resources, including all categorical funds, solely on instructional improvement and services to pupils.*

52055.720. (a) *For purposes of this article, the following definitions apply:*

(1) *“Academic Performance Index” or “API” means the Academic Performance Index established under Section 52052.*

(2) *“CBEDS” means the California Basic Educational Data System.*

(3) *“Funded school” means a school that is withing a school district or chartering authority, receives funds allocated under this article, and complies with all applicable interim programs and alternative requirements described in this article, including, but not limited to, the provisions and requirements of economic impact aid funds.*

(4) *The “High Priority Schools Grant Program” or “HPSGP” means the High Priority Schools Grant Program established under Article 3.5 (commencing with Section 52055.600).*

(5) *“Secretary” means the Secretary for Education.*

1 (b) Public schools and charter schools that are ranked in
2 either decile 1 or 2 on the 2005 Academic Performance Index are
3 eligible to receive funds under this article.

4 (c) A school that is funded under the High Priority Schools
5 Grant Program, has not met the annual growth target
6 requirements under Section 52055.650, and is designated as a
7 state sanctioned-school is eligible to be funded under this article
8 if the school undergoes a rigorous review directed by the
9 Superintendent.

10 (d) A school that is funded under the High Priority Schools
11 Grant Program, and has met or is meeting the requirements of
12 Section 52055.650, is eligible to receive funding under this
13 article and the HPSGP if the school agrees to meet all
14 accountability requirements of both programs.

15 (e) A school that is funded under this article and continues to
16 meet the program and achievement requirements of this article
17 shall be funded annually through the 2013–14 fiscal year.

18 (f) The funds appropriated pursuant to this article may be
19 expended for any purpose identified by the site's single plan for
20 pupils achievement and improvement pursuant to Section 64001.

21 52055.730. (a) The Superintendent shall identify and invite
22 schools districts and chartering authorities that have eligible
23 schools to participate in the program established under this
24 article.

25 (b) The Superintendent shall notify school districts and
26 chartering authorities at the earliest possible date of all of the
27 following:

28 (1) Schoolsites in the district or of a chartering authority that
29 are eligible to receive funding pursuant to this article.

30 (2) The program and accountability requirements for schools
31 that receive funding pursuant to this article.

32 (3) The deadlines for the submission of documents necessary
33 to receive funding pursuant to this article.

34 (4) Any other information the Superintendent deems necessary
35 to implement this article.

36 (c) The Superintendent shall specify the manner in which
37 school districts and chartering authorities shall submit
38 applications to receive funding pursuant to this article. It is the
39 intent of the Legislature that this submission process be as simple

1 *as possible, use easily available data, and include the*
2 *requirements of this article.*

3 *(d) On or before June 30, 2007, the Superintendent, in*
4 *consultation with interested parties, shall develop a uniform*
5 *process that can be used to calculate average experience for*
6 *purposes of reporting, analyzing, or evaluating the distribution*
7 *of classroom teaching experience in grades, schoolsites, or*
8 *subjects across the district. The uniform process shall include an*
9 *index that uses the 2005–06 California Basic Educational Data*
10 *System (CBEDS) Professional Assignment Information Form*
11 *(PAIF), including any necessary corrections, as the*
12 *base-reporting year to evaluate annual improvements of the*
13 *funded schools toward balancing the index of teaching*
14 *experience. The index shall be approved by the Superintendent.*
15 *The uniform process shall designate teaching experience beyond*
16 *10 years as 10 years.*

17 *(e) The Superintendent shall make applications submitted*
18 *pursuant to subdivision (c) available for review by the Secretary.*
19 *The Superintendent and the Secretary shall review the*
20 *applications and select the schools for recommendation to the*
21 *state board within 30 days after the date the application is*
22 *submitted to the Superintendent.*

23 *(f) After reviewing applications submitted pursuant to*
24 *subdivision (c), the Superintendent and the Secretary, jointly,*
25 *shall submit their recommendations for schools to be funded to*
26 *the state board for approval. The recommendations shall ensure*
27 *a wide geographic distribution of funded schools across urban,*
28 *rural, and suburban areas of the state. Schools selected should*
29 *also represent a diverse distribution of grade levels. If the*
30 *Superintendent and the Secretary cannot complete the review*
31 *and recommendation process in the time provided, the*
32 *Superintendent shall submit recommendations to the board.*

33 *(g) To the maximum extent possible the Superintendent, the*
34 *Secretary, and the state board shall recommend and approve*
35 *sufficient schools to use all available funds. A schools selected in*
36 *the first year shall continue in the program unless it is terminated*
37 *pursuant to subdivision (c) of Section 52055.740, it declines to*
38 *participate, or there is evidence of fraud or fiscal irregularities.*

39 *(h) In approving the recommendations for funding from the*
40 *Superintendent and the Secretary, the state board shall also*

1 verify that the funded schools represent the required balance,
2 geographic distribution, and diverse distribution of grade levels.

3 (i) The Superintendent shall perform the duties of a county
4 superintendent of schools pursuant to this article for funded
5 schools in those counties in which a single school district
6 operates. The Superintendent may delegate this responsibility to
7 a county superintendent of schools in the region in which the
8 single district county is located.

9 (j) The Superintendent and the Secretary may select not more
10 than two county offices of education to provide regional
11 technical support, document best practices, and provide
12 information regarding those practices and other support
13 information to schools, school districts, and chartering
14 authorities. It is the intent of the Legislature that these activities
15 be merged to the maximum extent feasible with other state and
16 federally funded activities with similar requirements.

17 52055.740. (a) For each funded school, the county
18 superintendent of schools for the county in which the school is
19 located shall annually review the school and its data to
20 determine if the school has met all of the following program
21 requirements by the school by the end of the third full year of
22 funding:

23 (1) Meet all of the following class size requirements:

24 (A) For kindergarten and grades 1 to 3, inclusive, no more
25 than 20 pupils per class, as set forth in the Class Size Reduction
26 Program (Chapter 6.10 (commencing with Section 52120)).

27 (B) For self-contained classrooms in grades 4 to 8, inclusive,
28 an average classroom size that is the lesser of the following:

29 (i) At least five pupils fewer per classroom than was the
30 average in 2006–07.

31 (ii) An average of 25 pupils per classroom.

32 (iii) For purposes of this subparagraph, average classroom
33 size shall be calculated at the grade level based on the number of
34 self-contained classrooms in that grade at the schoolsite. If the
35 self-contained classrooms at the school averaged fewer than 25
36 pupils per classroom during the 2005–06 school year, that lower
37 average shall be used as the “average in 2006–07” for purposes
38 of this subparagraph. A school that receives funding under this
39 article shall not have a self-contained classroom in grades 4 to 8

1 *with more than 27 pupils regardless of its average classroom*
2 *size.*

3 *(C) For classes in English language arts, reading,*
4 *mathematics, science, or history and social science courses in*
5 *grades 4 to 12, inclusive, an average classroom size that is the*
6 *lesser of the following:*

7 *(i) At least five pupils fewer per classroom than was the*
8 *average in 2006–07.*

9 *(ii) An average of 25 pupils per classroom.*

10 *(iii) For purposes of this subparagraph, average classroom*
11 *size shall be calculated at the grade level based on the number of*
12 *self-contained classrooms in that grade at the school site. If the*
13 *self-contained classrooms at the school averaged fewer than 25*
14 *pupils per classroom during the 2005–06 school year, that lower*
15 *average shall be used as the “average in 2006–07” for purposes*
16 *of this subparagraph. A school that receives funding under this*
17 *article shall not have a class in English language arts, reading,*
18 *mathematics, science, or history and social science in grades 4 to*
19 *12, inclusive, with more than 27 pupils regardless of its average*
20 *classroom size.*

21 *(D) Not increase any other class sizes in the school above the*
22 *size used during the 2005–06 school year.*

23 *(2) In high schools, have a pupil-to-counselor ratio of no more*
24 *than 300 to 1. Each counselor shall hold a services credential*
25 *with a specialization in pupil personnel services issued by the*
26 *Commission on Teacher Credentialing.*

27 *(3) Ensure that each teacher in the school, including intern*
28 *teachers, shall be highly qualified in accordance with the federal*
29 *No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).*

30 *(4) Using the index established under Section 52055.730, have*
31 *an average experience of classroom teachers in the school equal*
32 *to or exceeding the average for the school district for this type of*
33 *school.*

34 *(5) Exceed the API growth target for the school averaged over*
35 *the first three years. Beginning in the fourth year of*
36 *participation, funded schools shall meet their annual API growth*
37 *targets. If the school fails to meet its annual growth target, the*
38 *school shall continue to receive funding pursuant to this article,*
39 *but shall be subject to state review, assistance, and timeline*
40 *requirements pursuant to the HPSGP. The schoolsite*

1 administrator shall not automatically be reassigned based solely
2 on that failure.

3 (b) For each funded school, the county superintendent of
4 schools for the county in which the school is located shall
5 annually review the school and its data to determine if the school
6 has met all of the following interim requirements:

7 (1) Be at least one-third of the way toward meeting each of the
8 program requirements specified in paragraphs (1) to (5),
9 inclusive, of subdivision (a) by the end of the first full year of
10 funding.

11 (2) Be at least two-thirds of the way toward meeting each of
12 the program requirements specified in paragraphs (1) to (5),
13 inclusive, of subdivision (a) by the end of the second full year of
14 funding, and achieve full implementation by the end of the third
15 full year and for each year thereafter.

16 (3) Have provided professional development to at least
17 one-third of teachers and instructional paraprofessionals in the
18 school annually.

19 (4) Meet all of the requirements of the settlement agreement in
20 *Williams v. State of California* (Case Number CGC-00-312236 of
21 the Superior Court for the County of San Francisco), including,
22 among other things, the requirements regarding teachers,
23 instructional materials, and school facilities, by the end of the
24 first full year of funding, and in each year of funding thereafter.

25 (c) If a county superintendent of schools determines that a
26 funded school has not substantially met the requirements of
27 subdivision (b) after the first or second full year of funding, or
28 any alternative program requirements approved under Section
29 52055.760, he or she shall notify the Superintendent. If all of the
30 interim and final requirements are not met by the end of any
31 subsequent school year, the Superintendent shall terminate
32 funding for that school.

33 (d) A school district or chartering authority that includes a
34 participating school or schools for which funding is terminated
35 pursuant to subdivision (c) may appeal that action to the state
36 board. The state board shall order the reinstatement of funding
37 if, on appeal, the school district or chartering authority
38 demonstrates that the data upon which the county superintendent
39 of schools relied is in error and that the school in question can

1 fully demonstrate its compliance with the applicable
2 requirements.

3 52055.750. (a) A school district or chartering authority that
4 receives funding pursuant to this article shall agree to do all of
5 the following for each funded school within its jurisdiction:

6 (1) Comply with the program requirements of this article and
7 require that each funded schoolsite complete and meet the
8 criteria of an academic review process that includes the elements
9 of the school assistance and intervention team review process
10 described in Section 52055.51.

11 (2) Ensure that funded schools meet the requirements of this
12 article.

13 (3) Ensure that each school administrator in a funded school
14 is confirmed to have exemplary qualifications and experience by
15 the end of the first full year of funding and in each year of
16 funding thereafter. Those qualifications shall include the ability
17 to support the success of all pupils by facilitating the
18 development, articulation, implementation, and stewardship of a
19 vision of learning that is shared and supported by the school
20 community as well as the ability to advocate, nurture, and
21 sustain a school culture and instructional program that is
22 conducive to pupils learning and staff professional growth. The
23 school district or chartering authority shall provide for high
24 quality professional development for each administrator through
25 leadership training, coaching, and mentoring and shall take all
26 reasonable steps to maintain stable school leadership in schools
27 that receive funding pursuant to this article. To the extent
28 appropriate the professional development shall be similar in
29 quality and rigor to that provided pursuant to the Administrator
30 Training Program under Article 4.6 (commencing with Section
31 44510) of Chapter 3 of Part 25.

32 (4) Provide all fiscal and evaluation data requested by the
33 Superintendent for initial approval, annual reviews, and reports.

34 (5) Comply with subdivisions (a) to (c), inclusive, of Section
35 52055.630, and in the same manner consult with the exclusive
36 representative of classified employees.

37 (6) Assist eligible schools in developing and carrying out a
38 plan to implement the provisions of this article to ensure the
39 district's plan supports the work of the school.

1 (7) Agree to focus on conditions that improve instruction and
2 achievement in funded schools.

3 (8) Express its full understanding that not meeting annual and
4 final program and academic achievement requirements under
5 this article will result in the termination of funding.

6 (9) Ensure that the funds received on behalf of funded schools
7 are expended on that school, except that during the first partial
8 year of funding districts may use funding under this article for
9 facilities necessary to meet the class size reduction requirements
10 of this article, if all funds are spent on funded schools within the
11 district.

12 (10) Use the uniform process recommended by the
13 Superintendent pursuant to subdivision (d) of Section 52055.730
14 to ensure that the average teaching experience of the classroom
15 teachers in funded schools is equal to or greater than the
16 average teaching experience of classroom teachers in the school
17 district as a whole.

18 (b) If not expressly prohibited by federal law, a school district
19 or a chartering authority on behalf of a funded school may waive
20 requirements imposed on the use of state categorical or federal
21 funds in the consolidated application, if those funds are used for
22 the purposes of improving instruction and instructional
23 conditions as identified in the revised plan of Section 52055.755.
24 All program requirements associated with funds in the
25 consolidated application, except requirements regarding parent
26 advisory committees, schoolsite councils, and provisions relating
27 to economic impact aid and special education, are waived for
28 funded schools.

29 (c) Each funded school shall ensure that each teacher in a
30 self-contained classroom or teaching covered subjects
31 participates in professional development that is made available
32 by the district or the schoolsite councils, is developed in a
33 collaborative process with interested parties, and is articulated
34 in an improvement plan. For purposes of this article,
35 professional development activities may include collaboration
36 time for teachers to develop new instructional lessons or analyze
37 pupil data, mentoring projects for new teachers, or extra support
38 for teachers to improve practice. At a minimum, appropriate
39 professional development for the site shall be part of a coherent
40 plan that combines school activities within the school, including,

1 *but not limited to, lesson study or co-teaching, and external*
2 *learning opportunities that meet all of the following criteria:*

3 *(1) Are related to the academic subjects taught.*

4 *(2) Provide time to meet and work with other teachers.*

5 *(3) Support instruction and pupil learning to improve*
6 *instruction in a manner that is consistent with academic content*
7 *standards.*

8 *(4) Include an average of 40 hours per teacher per year.*

9 *(d) At a minimum, professional development in a*
10 *self-contained classroom shall include content regarding*
11 *mathematics, science, English language arts, reading, and*
12 *English language development. Professional development for*
13 *teachers teaching subject specific courses shall include the*
14 *specific subject and English language development. To the extent*
15 *appropriate the professional development shall be similar in*
16 *quality and rigor to the training provided under the Mathematics*
17 *and Reading Professional Development Program in Article 3*
18 *(commencing with Section 99230) of Chapter 5 of Part 65.*

19 *(e) On or before the end of the first three years of full funding,*
20 *funded schools shall do the following:*

21 *(1) Increase actual pupil attendance, as compared with*
22 *monthly enrollment in the school.*

23 *(2) For secondary schools, increase graduation rates as*
24 *described in Section 52055.640.*

25 *(f) Commencing on the fourth year of participation, a funded*
26 *school shall meet its annual API growth target. If the school fails*
27 *to meet its annual growth target, the school shall continue to*
28 *receive funding pursuant to this article, but shall be subject to*
29 *state review, assistance, and timeline requirements pursuant to*
30 *the HPSGP. The schoolsite administrator shall not automatically*
31 *be reassigned.*

32 *52055.755. With assistance from the school district or the*
33 *chartering authority, or, where appropriate, with regional*
34 *assistance provided under subdivision (j) of Section 52055.730,*
35 *each funded school shall revise its plan adopted pursuant to*
36 *Section 64001. The revised plan shall do all of the following:*

37 *(a) Include funds available pursuant to this article, including,*
38 *but not limited to, the categorical funds described in subdivision*

39 *(b) of Section 52055.750.*

1 (b) Describe the manner in which the requirements of this act
2 will be met.

3 (c) Focus on instructional improvement and improving
4 instructional conditions.

5 52055.760. A school district or chartering authority may
6 apply for authority from the Superintendent to use alternative
7 program requirements if the district or authority demonstrates
8 that compliance with alternative program requirements would
9 provide a higher level of academic achievement among pupils
10 than compliance with the interim and program requirements of
11 this article.

12 (a) Alternative program requirements may be used to serve no
13 more than 10 percent of the pupils funded pursuant to this
14 article. Alternative programs shall serve the entire school.

15 (b) A school district or chartering authority may use
16 alternative program requirements at a funded school if all the
17 following criteria are satisfied:

18 (1) The proposed alternative requirements are based on
19 reliable data and are consistent with sound scientifically based
20 research consistent with subdivision (j) of Section 44757.5 on
21 effective practices.

22 (2) The costs of complying with the proposed alternative
23 requirements do not exceed the amount of funding received by
24 the school district or chartering authority pursuant to this
25 article.

26 (3) Funded schools agree to comply with the alternative
27 program requirements and be subject to the termination
28 procedures specified in subdivision (c) of Section 52055.740.
29 Funded schools with alternative programs shall also be required
30 to exceed the API growth target for the school averaged over the
31 initial three year period and annually thereafter.

32 (4) The Superintendent and the Secretary have jointly
33 reviewed the proposed alternative funded schools of the school
34 district or chartering authority for purposes of this section and
35 have recommended to the state board for its approval those
36 schools, using the same process for the regular program
37 recommendations.

38 52055.770. (a) School districts and chartering authorities
39 shall receive funding at the following rate, on behalf of funded
40 schools:

1 (1) For kindergarten and grades 1 to 3, inclusive, five hundred
2 dollars (\$500) per enrolled pupil in funded schools.

3 (2) For grades 4 to 8, inclusive, nine hundred dollars (\$900)
4 per enrolled pupil in funded schools.

5 (3) For grades 9 to 12, inclusive, one thousand dollars
6 (\$1,000) per enrolled pupil in funded schools.

7 (b) For purposes of subdivision (a), enrollment of a pupil in a
8 funded school in the prior fiscal year shall be based on data from
9 the CBEDS. For the 2007–08 fiscal year, the funded rates shall
10 be reduced to reflect the percentage difference in the total
11 amounts appropriated for purposes of this section in that year
12 compared to the amounts appropriated for purposes of this
13 section in the 2008–09 fiscal year.

14 (c) The following amounts are hereby appropriated from the
15 General Fund for the purposes set forth in subdivision (e):

16 (1) For the 2007–08 fiscal year, three hundred million dollars
17 (\$300,000,000), to be allocated as follows:

18 (A) Thirty-two million dollars (\$32,000,000) for transfer by
19 the Controller to Section B of the State School Fund for
20 allocation by the Chancellor of the Community Colleges to
21 community colleges for the purpose of providing funding to the
22 community colleges to improve and expand career technical
23 education in public primary and secondary education and lower
24 division public higher education pursuant to Section 88532,
25 including the hiring of additional faculty to expand the number of
26 career technical education programs and course offerings.

27 (B) Two hundred sixty-eight million dollars (\$268,000,000)
28 for transfer by the Controller to Section A of the State School
29 Fund for allocation by the Superintendent pursuant to this
30 article.

31 (2) For each of the 2008–09 to 2013–14 fiscal years, inclusive,
32 four hundred fifty million dollars (\$450,000,000) per fiscal year
33 to be allocated as follows:

34 (A) Forty-eight million dollars (\$48,000,000) for transfer by
35 the Controller to Section B of the State School Fund for
36 allocation by the Chancellor of the Community Colleges to
37 community colleges as required under subdivision (e).

38 (B) Four hundred two million dollars (\$402,000,000) for
39 transfer by the Controller to Section A of the State School Fund
40 for allocation by the Superintendent pursuant to this article.

(d) For the 2013–14 fiscal year the amounts appropriated under subdivision (c) shall be adjusted to reflect the total fiscal settlement agreed to by the parties in *California Teachers Association, et al. v. Arnold Schwarzenegger* (Case Number 05CS01165 of the Superior Court for the County of Sacramento) and the sum of all fiscal years of funding provided to fund this article shall not exceed the total funds agreed to by those parties. This annual appropriation shall continue to be made until the Director of Finance reports to the Legislature, along with all proposed adjustments to the Governor’s Budget pursuant to Section 13308 of the Government Code, that the sum of appropriations made and allocated pursuant to subdivision (c) equals the total outstanding balance of the minimum state educational funding obligation to school districts and community college districts required by Section 8 of Article XVI of the California Constitution and Chapter 213 of the Statutes of 2004 for the 2004–05 and 2005–06 fiscal years, as determined in subdivision (a) or (b) of Section 41207.1.

(e) The sum transferred under subparagraph (A) of paragraph (2) of subdivision (c) shall be allocated by the Chancellor of the Community Colleges as follows:

(1) Thirty-two million dollars (\$32,000,000) to community colleges for the purpose of providing funding to the community colleges to improve and expand career technical education in public primary and secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

(2) Sixteen million dollars (\$16,000,000) to the community colleges for the purpose of providing one-time block grants to community college districts to be used for any of the following purposes:

(A) Physical plant, scheduled maintenance, deferred maintenance, and special repairs.

(B) Instructional materials and support.

(C) Professional development.

(D) Instructional equipment, including equipment related to career-technical education.

(E) Library materials.

(F) Technology infrastructure.

1 (G) Hazardous substances abatement, cleanup, and repair.

2 (H) Architectural barrier removal and seismic retrofit
3 projects, limited to four hundred thousand dollars (\$400,000).

4 (I) State-mandated local programs.

5 (3) The Chancellor of the California Community Colleges
6 shall allocate the amount allocated pursuant to paragraph (2) to
7 community college districts on an equal amount per actual
8 full-time equivalent student attendance reported for the prior
9 fiscal year, except that each community college district shall be
10 allocated an amount not less than one hundred thousand dollars
11 (\$100,000), and the equal amount per unit of full-time attendance
12 shall be computed accordingly.

13 (4) Funds allocated under paragraph (2) shall supplement and
14 not supplant existing expenditures and may not be counted as the
15 district match for physical plant projects and instructional
16 material purchases funded in Item 6870-101-0001 of Section
17 2.00 of the annual Budget Act.

18 (f) The appropriations made under subdivision (c) are for the
19 purpose of discharging in full the minimum state educational
20 funding obligation to school districts and community college
21 districts pursuant to Section 8 of Article XVI of the California
22 Constitution and Chapter 213 of the Statutes of 2004 for the
23 2004–05 fiscal year, and the outstanding maintenance factor for
24 the 2005–06 fiscal year resulting from this additional payment of
25 the Chapter 213 amount for the 2004–05 fiscal year.

26 (g) For the purposes of making the computations required by
27 Section 8 of Article XVI of the California Constitution, including
28 computation of the state’s minimum funding obligation to school
29 districts and community college districts in subsequent fiscal
30 years, the first one billion six hundred twenty million nine
31 hundred twenty-eight thousand dollars (\$1,620,928,000) in
32 appropriations made pursuant to subdivision (c) shall be deemed
33 to be “General Fund revenues appropriated for school districts,”
34 as defined in subdivision (c) of Section 41202 and “General
35 Fund Revenues appropriated for community college districts,” as
36 defined in subdivision (d) of Section 41202, for the 2004–05
37 fiscal year and included within the “total allocations to school
38 districts and community college districts from General Fund
39 proceeds of taxes appropriated pursuant to Article XIII B,” as
40 defined in subdivision (e) of Section 41202, for that fiscal year.

1 *The remaining appropriations made pursuant to subdivision (c)*
2 *shall be deemed to be “General Fund revenues appropriated for*
3 *school districts,” as defined in subdivision (c) of Section 41202*
4 *and “General Fund revenues appropriated for community*
5 *college districts,” as defined in subdivision (d) of Section 41202,*
6 *for the 2005–06 fiscal year and included within the “total*
7 *allocations to school districts and community college districts*
8 *from General Fund proceeds of taxes appropriated pursuant to*
9 *Article XIII B,” as defined in subdivision (e) of Section 41202,*
10 *for that fiscal year.*

11 *(h) From funds appropriated under subdivision (c), the*
12 *Superintendent shall provide both of the following:*

13 *(1) Not more than two million dollars (\$2,000,000) annually*
14 *to county superintendents of schools to carry out the*
15 *requirements of this article, allocated in a manner similar to that*
16 *created to carry out the new duties of those superintendents*
17 *under the settlement agreement in the case of Williams v.*
18 *California (Super. Ct. San Francisco, No. CGC-00-312236).*

19 *(2) Five million dollars (\$5,000,000) in the 2007–08 fiscal*
20 *year to support regional assistance under Section 52055.730. It*
21 *is the intent of the Legislature that the Superintendent and the*
22 *Secretary, along with county offices of education, seek*
23 *foundational and other financial support to sustain and expand*
24 *these services. Funds provided under this paragraph that are not*
25 *expended in the 2007–08 fiscal year shall be reappropriated for*
26 *use in subsequent fiscal years for the same purpose.*

27 *(i) Notwithstanding any other provision of law, funds*
28 *appropriated under subdivision (c) but not allocated to schools*
29 *with kindergarten or grades 1 to 12, inclusive, in a fiscal year,*
30 *due to program termination in any year or otherwise, shall be*
31 *reappropriated, without regard to fiscal year, in furtherance of*
32 *the purposes of this article. First priority for those amounts shall*
33 *be to provide cost-of-living increases and enrollment growth*
34 *adjustments to funded schools.*

35 *(j) The sum of one million one hundred seventeen thousand*
36 *dollars (\$1,117,000) is hereby appropriated from the General*
37 *Fund to the department to fund 9.0 positions to implement this*
38 *article. Funding provided under this subdivision is not part of*
39 *funds provided pursuant to subdivision (c).*

1 *SEC. 4. If the Commission on State Mandates determines that*
2 *this act contains costs mandated by the state, reimbursement to*
3 *local agencies and school districts for those costs shall be made*
4 *pursuant to Part 7 (commencing with Section 17500) of Division*
5 *4 of Title 2 of the Government Code.*

6 ~~SECTION 1. Section 41207.1 is added to the Education~~
7 ~~Code, to read:~~

8 ~~41207.1. Notwithstanding Section 41206, the minimum~~
9 ~~amount of state funding required to be appropriated by Section 8~~
10 ~~of Article XVI of the California Constitution for school districts~~
11 ~~and community college districts for the 2004-05 fiscal year, as~~
12 ~~determined pursuant to Chapter 213 of the Statutes of 2004, is~~
13 ~~forty-eight billion six hundred seventy-five million six hundred~~
14 ~~seventy-four thousand dollars (\$48,675,674,000), creating a~~
15 ~~maintenance factor of two billion three million nine hundred~~
16 ~~ninety-six thousand dollars (\$2,003,996,000) and an outstanding~~
17 ~~balance of that maintenance factor as of the 2006-07 fiscal year~~
18 ~~of one billion six hundred twenty million nine hundred~~
19 ~~twenty-eight thousand dollars (\$1,620,928,000). The outstanding~~
20 ~~balance shall be appropriated and allocated pursuant to~~
21 ~~legislation enacted during the 2007-08 Regular Session.~~

22 ~~SEC. 2. (a) The following amounts shall be appropriated~~
23 ~~from the General Fund for purposes of legislation enacted during~~
24 ~~the 2007-08 Regular Session.~~

25 ~~(1) For the 2007-08 fiscal year, three hundred million dollars~~
26 ~~(\$300,000,000) to be allocated as follows:~~

27 ~~(A) Thirty-two million dollars (\$32,000,000) to Section B of~~
28 ~~the State School Fund for community colleges.~~

29 ~~(B) Two hundred sixty-eight million dollars (\$268,000,000) to~~
30 ~~Section A of the State School Fund for school districts.~~

31 ~~(2) For each of the 2008-09 to 2013-14 fiscal years, inclusive,~~
32 ~~four hundred fifty million dollars (\$450,000,000) to be allocated~~
33 ~~as follows:~~

34 ~~(A) Forty-nine million dollars (\$49,000,000) to Section B of~~
35 ~~the State School Fund for community colleges.~~

36 ~~(B) Four hundred one million dollars (\$401,000,000) to~~
37 ~~Section A of the State School Fund for school districts.~~

38 ~~(b) The allocations made in paragraphs (1) and (2) of~~
39 ~~subdivision (a) are for the purpose of discharging in full the~~
40 ~~outstanding balance of the maintenance factor resulting from~~

Chapter 213 of the Statutes of 2004 for the 2004–05 fiscal year, and the outstanding balance of the maintenance factor for the 2005–06 fiscal year resulting from this additional payment of the Chapter 213 amount for the 2004–05 fiscal year.

(e) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, including computation of the state’s minimum funding obligation to school districts and community college districts in subsequent fiscal years, the first one billion six hundred twenty million nine hundred twenty-eight thousand dollars (\$1,620,928,000) in allocations made pursuant to subdivisions (a) and (b) of this section shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code and “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202 of the Education Code, for fiscal year 2004–05 and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for that fiscal year. The remaining one billion three hundred seventy-nine million seventy-two thousand dollars (\$1,379,072,000) in appropriations made pursuant to subdivisions (a) and (b) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code and “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202 of the Education Code, for fiscal year 2005–06 and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for that fiscal year.